Before the Federal Communications Commission Washington D.C. 20554

In the Matter of 2010 Quadrennial Regulatory Review – Notice of Proposed Rulemaking Pursuant to Section 202 of the Telecommunications Act of 1996

MB Docket No. 09-182

Comments of the American Association of Independent Music ("A2IM")

The American Association of Independent Music ("A2IM", www.a2im.org respectfully submits the following comments to The Federal Communications Commission (FCC) in its Notice of Proposed rulemaking in its 2010 Quadrennial Media Ownership Rules Review.

A2IM is a 501(c)(6) not-for-profit trade organization representing the independent music community. Based upon label ownership, this sector represents more than 90 percent of annual music label new releases of recorded music. Despite historic market barriers to entry, independent music represents more than 30 percent of annual U.S. recorded music sales, according to Nielsen/SoundScan reports, including over 38 percent of digital music album sales.

A2IM was established seven years ago to protect the rights of the American independent music label community. Our core mission is to expand access to the media marketplace and foster tangible economic gains for our label members and their artists. This mission is actualized through advocacy, commerce opportunities and other member services, including education.

A2IM's membership comprises a geographically and genre diverse range of independent music labels that have banded together to form a central voice in advocating for the health of our sector. Our membership includes such independent music label leaders as Beggars/Matador/4AD/XL, Big Machine Music Group, Concord Music Group, Curb Records, Merge, Razor & Tie, SubPop, Windup, and many more.

It should be noted A2IM is not solely made up of larger companies; our membership includes music labels of varying sizes and genres with many of our constituents are artist-owned labels, such as Alison Brown and Garry West of Nashville, the Hanson brothers in Tulsa, Joan Jett in NYC, moe. in Buffalo and the Skaggs Family and Gillian Welch in Nashville, to name several. Our membership also stretches from coast to coast, and reflects the tremendous diversity in American musical culture. In addition to labels located in traditional music hubs like New York, Nashville and Southern California A2IM includes imprints such as Mountain Apple in Hawaii, Barsuk in Seattle, Kill Rock Stars in Portland, Six Degrees in San Francisco, Saddle Creek In Omaha, RhymeSayers in Minneapolis, Red House in St. Paul, Ghostly in Ann Arbor, Jagjaguwar in Bloomington, Righteous Babe in Buffalo, YepRoc in Haw River, North Carolina and Tropisounds in Miami to name several. Many of these labels are musical brands in their own rights, like Alligator in Chicago is for blues. In addition to our label members, A2IM has associate

members, including groups and individuals who work with, depend upon, or simply support Independent music. Although our members' music is incredibly diverse, A2IM member labels are all business people who are passionate about music and are trying to make a living doing what they love.

A2IM applauds the Commission for its work to promote the principles of competition, localism and diversity in all media, including radio. The latter is of major concern to our members due to the historic difficulty independent music has had in achieving airplay, particularly on the commercial dial. Although newer technologies like satellite radio and the internet have expanded opportunities for our sector, they often reach different audiences than AM/FM radio. AM/FM radio continues to be a biggest driver of music discovery, and therefore, a crucial platform for our member labels and their artists. This is borne out by public research studies by Arbitron/Edison Media Research and others which have confirmed the ongoing significance terrestrial AM/FM radio has in the marketplace for both music discovery and music sales. To this end, A2IM has been very concerned about the consolidation in radio station ownership, which has since the passage of the 1996 Telecommunications Act, resulted in fewer opportunities for independent music to be played on over-the-air radio. From a lack of regional programming autonomy to institutional payola, consolidation in the commercial radio sector has been detrimental to independent music's ability to reach listeners for mainstream radio formats, like alternative music, as well as more niche genres like blues, jazz, world music and many others which help promote the cultural diversity of American music.

In October 2008, A2IM, in cooperation with the Future of Music Coalition, produced a study called "More Static," which surveyed our label members about current conditions between the independent music community and the commercial broadcast sector. Specifically, we sought feedback on the FCC radio Consent Decrees of April 2007, in which four major radio groups — CBS Radio, Clear Channel, Entercom and Citadel —adopted voluntary A2IM negotiated "Rules of Engagement" which were meant to end structural payola and open up the airwaves to more independent and local content.

The diverse music label survey group surveyed — diverse in terms of genre, geography, and label size — noted that there was, in fact, less access to radio as a result of consolidation. Our membership gave firsthand accounts of restrictive genre formats and tighter playlists with fewer songs played more frequently. Subsequent member conversations have confirmed this to be an ongoing trend. As noted in their comments in this docket, Future of Music Coalition conducted a subsequent radio playlist analysis released in April 2009 called "Same Old Song," which confirmed the anecdotal evidence with specific playlist data.

Radio access is crucial to our members and their artists, and as A2IM labels are geographically diverse local programming is equally important. The need for our member labels to have access cannot be understated, as this provides the very bedrock upon which our many successes — including the 34 Indie label wins, over 40% of awards given, at the 2012 Grammys — are built. Local ownership and programming to us is an engine of programming diversity. Whatever rules the FCC promulgates as a result of its Media Ownership Quadrennial should look to nurturing

and expanding these core principles for the benefit of not only our member labels and artists, but also listeners for whom exposure to a diversity of musical culture is often lacking.

We are very pleased that the FCC has kept current ownership caps in place with regard to increased station ownership by the country's handful of major commercial radio groups. Our worry is that larger media conglomerates could find novel ways to own as many media outlets as possible, resulting in greater homogenization of content. An area of concern in the Commission's proposed rules is the consideration of removing the AM/FM sub caps. Even with the overall 8 station radio caps staying in place if the FM radio sub cap of 5 FM stations is eliminated, the FM band being of most importance to the music community as the FM band is from which most music emanates, this could have a pervasive and negative impact on access to promote localism and diversity in content in general, with radio programming being no exception. It should also be noted that in larger markets that the audiences are more diverse and less homogeneous so the considered increase in radio caps in larger markets with more stations would likewise restrict access and reduce diversity of programming.

It is our feeling that these sub caps should remain in place to ensure that neither the AM or FM spectrums are not simply used to rebroadcast programming from the already overly-consolidated FM commercial music space. While the FM band in today's highly-concentrated broadcast marketplace is the primary band as noted above, AM represents one of the few points of entry for new voices in the marketplace. While it is true that the AM footprint is nowhere near as large as its FM counterpart, it is a crucial platform for a diversity of content. Allowing FM stations to purchase more AM properties would create the conditions under which these artists voices may be crowded out, or worse, never allowed to emerge.

A2IM members share the core conviction that the independent music community plays a vital role in the continued advancement of cultural diversity and innovation in music at home and abroad. We do, however, need your help in ensuring that independent music labels and their artists can achieve their creative and commercial goals as, unfortunately, marketplace rewards have not always followed critical success — largely due to difficulties in achieving access for radio play. We thank the Commission for holding the line on radio consolidation in general but we ask the Commission to take into account radio's unique place in our broadcasting landscape and also humbly ask the Commission for its assistance in expanding opportunities for independent music on over-the-air radio. In doing so, the FCC's own stated goals of localism, competition and diversity will also be advanced for the benefit of American culture and community.

Respectfully Submitted:
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DATED: March 2, 2012